

TESTIMONY OF  
JAMISON SCOTT  
On behalf of the  
CT ASSOCIATION OF SMALLER MANUFACTURERS

COMMERCE COMMITTEE PUBLIC HEARING  
FEBRUARY 27, 2014

Senator LeBeau, Representative Perrone, Senator Frantz, Representative Lavielle and members of the Commerce Committee, my name is Jamison Scott. I am EVP of Air Handling Systems located in Woodbridge CT.

Thank you for the opportunity to speak with you today and thank you for the strong support this committee has shown for CT's manufacturing industry and for its smaller manufacturers in particular. The word is really getting out to our businesses that you want to help manufacturers survive and grow in CT. We welcome your support and will work with you to help make that support as effective as possible. We are also very pleased that the legislature now has a Manufacturing Caucus to help advance these issues.

My testimony today is on SB. 232, AAC the Manufacturing Reinvestment Account Program, or MRA for short.

The MRA is vital to manufacturing and the state's economy.

The concept originally created in 2009 by Hugh McCann, of ID Products in Bridgeport, and me - a home grown idea born from the need to stimulate additional investment in manufacturing companies.

An MRA is like an IRA for Manufacturers and was originally thought of as a federal bill. We brought this to Congresswoman Rosa DeLauro who introduced in House and a companion bill has been introduced by Senators Blumenthal and Murphy in the Senate.

At the state level the MRA allows manufactures to reinvest profits directly back into their companies without having to pay burdensome taxes on monies directly reinvested in their firms. It allows them to make capital investments in new machinery, expand their facilities or invest in job training.

Currently the MRA has some challenges which contribute to the low participation so far. It turned into a very complex program to enroll in, involving multiple agencies and is too involved for too small a reward. Allowing companies to pay zero tax on money's reinvested, as the committee's bill proposes, will increase the ROI significantly and attract more companies to participate in the program.

We recommend two changes to the language before you. First, we ask that the employee threshold be increased to 250 employees, rather than the 150 recommended in the bill. Second, understanding that any fiscal note has an impact on state resources we recommend that the number of companies allowed to participate be reduced to 50, from the current 100. That should ensure these beneficial changes to the MRA can occur within the funds already

appropriated. This allows for a small invest from the state with a potentially large return on manufacturing growth which is vital to our state's economy.

Being the first MRA adopted by any state in the nation, Connecticut is proud to be on the tipping point of manufacturing re-growth in America. So much so that other states are interested in the concept of the MRA. Pennsylvania has even introduced similar language calling their bill a Manufacturing Investment Account.

This bill is supported by many manufacturing and business organizations throughout the state including the NHMA, SMA, MAC, CBIA and many area Chamber's of Commerce.

Thank you for your support for this important bill.

Jamison Scott  
EVP/Corporate Officer.  
Air Handling Systems

Past President,  
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